

ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: February 8, 2001

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS¹

DECEMBER 2000 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>December 2000</u>	Fiscal Year <u>Total</u>
Individual Income Tax		
Net Collections	\$233,469,619	\$1,058,217,446
Percent Change	(0.9%)	8.0%
Corporate Income Tax		
Net Collections	\$137,021,365	\$308,553,182
Percent Change	52.0%	27.8%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$238,713,726	\$1,465,053,590
Change	2.3%	7.4%
Total Big Three Tax Types		
Net Collections	\$609,204,710	\$2,831,824,218
Percent Change	8.9%	9.5%

¹ The Office of Economic Research and Analysis has a new phone number. We can now be reached at (602) 542-4641. Although our phone number has changed, our extensions remain the same. Please update your records.

TAX FACTS

December 2000

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	December 2000	December 1999	% Change
Gross Collections	\$59,107,677	\$60,381,300	(2.1)
Withholding	210,605,193	211,273,452	(0.3)
Refunds	(3,205,531)	(4,570,482)	(29.9)
Urban Revenue Sharing	(33,037,720)	(31,475,916)	5.0
Net Collections	\$233,469,619	\$235,608,355	(0.9)

	Fiscal Year Total (00/01)	Fiscal Year Total (99/00)	% Change
Gross Collections	\$192,253,240	\$181,307,620	6.0
Withholding	1,151,910,631	1,076,191,389	7.0
Refunds	(87,720,105)	(88,500,951)	(0.9)
Urban Revenue Sharing	(198,226,320)	(188,855,495)	5.0
Net Collections	\$1,058,217,446	\$980,142,563	8.0

Federal Retiree Program

The Federal Retiree Project is drawing to a close. Refunds sent out directly as a result of the Federal Retiree Program is \$0 for December and \$3,328 for the fiscal year. The total revised estimated cost of the FRP project is \$162.1 million. The estimate for the final credit payout for the remaining credit holders is \$0.151 million.

Federal Employees Retirement Contribution Program

The Federal Employees Retirement Contribution Project is also nearing completion. The law firm of Bonn, Lusher, Padden & Wilkins had obtained a temporary restraining order requiring the department to withhold 20% of each claimants refund based on the law firm's claim that they should be entitled to fees from each claimant that benefited from their work. This hold-back order only applies to years beginning with 1985. During the month of December no refunds were issued as a result of the FERC project, therefore, the amount of refunds for the fiscal year remains at \$16,225. Likewise, the amount withheld per the restraining order described above also remains at \$723 for the fiscal year.

Individual Income Tax Document Count

In calendar year 1999, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NP R	141	140A	140PT C	140EZ	TOTAL
#	39,865	1,323,254	69,417	104,001	92	39,500	336,335	17,266	162,772	2,092,502
%	1.9	63.3	3.3	5.0	0.0	1.9	16.1	8.9	7.8	

In calendar year 2000 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NP R	141	140A	140PT C	140EZ	OTHER	TOTAL
#	38,571	1,334,940	74,284	107,508	57	41,476	332,144	15,867	185,561	1	2,130,409
%	1.8	62.7	3.5	5.0	0.0	1.9	15.6	0.7	8.7	0.0	

The 2,130,409 returns filed through December compares to 2,092,502 returns filed during the same period of time in 1999 for an annual increase of 1.8%. This count represents multiple tax years. For tax year 1999 filed in 2000, 2,041,704 returns have been filed, this represents a 2.8% increase from 1998 returns filed in 1999 during the same period of time.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made from taxpayers who have filed for both calendar years to be compared and who have indicated the same marital status on the tax returns for both years. The Department of Revenue has received 1,423,551 returns in calendar year 2000 for tax year 1999 from filers who also have returns on record from calendar year 1998 with the same marital status. On average, these filers experienced a 5.5% growth in FAGI and a 7.1% increase in tax liability. More specifically, 34.7% of these filers experienced a decrease in tax liability; on average a decrease of 42.9% with a corresponding average decrease in FAGI of 24.8%. Filers showing an increase in tax liability totaled 776,058, or 54.5%, with an average FAGI increase of 32.5% and an average tax liability increase of 63.5%.

Average Individual Income Tax Refund

	Average	Number
2000 CYTD	\$558.97	1,339,405
1999 CYTD	\$533.53	1,314,885
% Change	4.8%	1.9%

"New" Filers in Calendar Year 1999

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2000. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 223,341 "new" returns have been filed thus far in 2000, representing approximately 267,961 persons, not including dependents. The average Federal Adjusted Gross Income for these 223,341 returns is \$18,902, with an average tax liability of \$336. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 18.9% had a married filing joint filing status, 7.5% claimed a 65 And Over Exemption and 30.2% claimed dependents.

Individual Income Tax Estimated Payments

Beginning in 1990, individuals are required to make estimated payments to Arizona if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. The total estimated payments on the 140ES for tax year 1999 was \$344.6 million, for an average of \$1,684. A total additional \$57.2 million in estimated payments was received as refunds on the 1998 tax returns applied to 1999 estimates, for an average of \$1,712. Estimated payments received during December for tax year 2000, are as follows:

12/00	140ES payment	\$13,385,686	Cumulative	\$220,213,556
12/99	140ES payment	\$18,993,548	Cumulative	\$202,467,658
	Percent change	(29.5%)		8.8%
12/00	Average payment	\$1,824	Cumulative	\$1,288
12/99	Average payment	\$2,034	Cumulative	\$1,290
	Percent change	(10.3%)		(0.2%)
12/00	Applied refund	\$460,744	Cumulative	\$62,117,618
12/99	Applied refund	\$793,286	Cumulative	\$55,479,256
	Percent change	(41.9%)		12.0%
Total 12/00		\$13,846,430	Cumulative	\$282,331,174
Total 12/99		\$19,786,834	Cumulative	\$257,946,914
	Percent change	(30.0%)		9.5%

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from September 1998 through December 1999, \$534,654,558 was received for the fourth quarter of 1998. The latest complete quarter (15 months of information has been compiled) is the fourth quarter of 1999, which shows a growth rate of 10.1% in withholding payments over the fourth quarter of 1998. Growth in quarters for which information is still being gathered is as follows:

1 st Quarter 2000	14.1%	3 rd Quarter 2000	6.3%
2 nd Quarter 2000	10.6%	4 th Quarter 2000	8.5%

The comparisons made above were against the same number of months of collections in the previous year. In other words, the second month of information available for the fourth quarter of 2000 was compared against the second month of collections for the fourth quarter of 1999. Current choices for withholding are 0%, 10%, 17%, 20%, 22%, 28% or 32% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit if you are age 65 or older or if you received Title 16, SSI payments. Additionally, your household income must be below \$3,751 if you live alone, or \$5,501 if you live with another person, to qualify for this credit. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2000	15,874	\$4,989,360	\$314.31
Calendar Year 1999	17,250	\$5,295,753	\$307.00
% Change	(8.0%)	(5.8%)	2.4%

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. Since the voter approval was not validated by the Federal Elections Commission until mid 1999, the 1998 tax forms did not carry these options. For tax year 1998, filed in 1999, these options are available.

	December 2000	Year to Date
Check Off	\$1,885	\$1,829,725
Voluntary Donation	\$25	\$48,491
Number of Returns	262	246,065

Contributions on the Individual Income Tax Return

Through December 2000, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	11,918	\$178,051	\$14.94
Child Abuse	13,218	\$206,038	\$15.59
Special Olympics	6,289	\$84,040	\$13.36
Neighbors Helping	3,756	\$39,158	\$10.43
AID to Education	454	\$13,513	\$29.76
Domestic Violence Shelter	9,472	\$139,266	\$14.70
Democratic Party	724	\$10,715	\$14.80
Republican Party	524	\$12,700	\$24.24
Libertarian Party	131	\$2,547	\$19.44
Reform Party	17	\$180	\$10.59

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	December 2000	December 1999	% Change
Gross Collections	\$143,283,083	\$111,094,969	39.0%
Refunds	(\$6,261,718)	(\$20,955,943)	(70.1%)

Net Collections	\$137,021,365	\$90,136,027	52.0%
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	Fiscal Year Total (00/01)	Fiscal Year Total (99/00)	% Change
Gross Collections	\$388,370,992	\$304,927,503	27.4%
Refunds	(\$79,817,809)	(\$63,526,352)	25.7%
Net Collections	\$308,553,182	\$241,401,151	27.8%

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

December 2000	\$108,471,690	Calendar Year Total	\$544,326,181
December 1999	\$85,993,016	Calendar Year Total	\$508,281,437
% Change	(26.1%)	% Change	7.1%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for December 2000 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 0 and more	Total	% chg
December 2000	519	73	93	19	8	2	714	3.6
December 1999	500	80	81	19	7	2	689	
CY 2000	3,136	430	471	77	72	3	4,189	3.8
CY 1999	3,050	418	446	65	51	5	4,035	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 00/01 by corporate fiscal year. For example, in FY 00/01, 12.2% of the refund dollars paid were for corporate fiscal years ending in 1996 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	95 & Prior	96	97	98	99	00
FY 99/00	5.0%	1.5%	4.4%	62.8%	26.1%	0.3%

Corporate Fiscal Year-End:	96 & Prior	97	98	99	00	01
FY 00/01	12.2%	8.3%	2.9%	73.6%	3.0%	0.0%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

December 2000	\$15,443,023	Calendar Year Total	\$113,409,259
December 1999	\$63,038,019	Calendar Year Total	\$180,463,407
% Change	(75.5%)	% Change	(37.2%)

Corporate Income Tax Document Count

The Arizona Department of Revenue received 95,415 corporate returns showing a fiscal year-end of 1998. The type of return received is indicated below:

120X (amended) 120 (regular) 120S (S corp) 99T (exempt org.)

#	384	52,087	42,587	357
%	0.4	54.6	44.6	0.4

Through December 2000, 98,543 documents have been received for a fiscal year-end of 1999, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	352	45,142	46,163	342	6,544
%	0.4	45.8	46.8	0.3	6.6

The figures shown above for the 1999 returns are most meaningful when compared to 1998 returns received during the same period of time in the previous year. Through December 1999, the Arizona Department of Revenue received 94,415 documents with a fiscal year-end of 1998. This represents a 3.3% increase in corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed is 15.0% of net income tax collections two years earlier. For example, the money being distributed in Fiscal Year 2000/01 is based on net income tax collections in Fiscal Year 1998/1999. Amounts returned for December 2000 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many categories of tax. These categories include retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non shared. In contrast, contracting is 20% distribution base and 80% non shared. Due to new legislation, mining severance is now 100% distribution base. Use tax is 100% non shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	December 2000	December 1999	% change
Distribution Base	\$100,518,837	\$99,684,003	0.8
Non shared	188,674,905	186,280,512	1.3
Use Tax	15,348,278	13,033,795	17.8
Other Revenues	37,966,084	35,696,804	6.4
Total Collections	\$342,508,104	\$334,695,113	2.3

	Fiscal Year Total (00/01)	Fiscal Year Total (99/00)	% change
Distribution Base	\$604,827,438	\$570,759,693	6.0
Non shared	1,158,519,795	1,082,334,139	7.0
Use Tax	98,879,065	84,881,293	16.5
Other Revenues	230,287,830	210,846,246	9.2
Total Collections	\$2,092,514,128	\$1,948,821,371	7.4

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. "Other" revenues are returned to the administering authority.

	December 2000	December 1999	% change
Retained by State	\$238,713,726	\$233,452,206	2.3
Returned to Counties	40,706,825	40,532,340	0.4
Returned to Cities	25,121,469	25,013,763	0.4
Other	37,966,084	35,696,804	6.4
Total Collections	\$342,508,104	\$334,695,113	2.3

	Fiscal Year Total (00/01)	Fiscal Year Total (99/00)	% change
Retained by State	\$1,465,053,590	\$1,363,827,337	7.4
Returned to Counties	245,603,269	231,365,102	6.2
Returned to Cities	151,569,438	142,782,685	6.2
Other	230,287,831	210,846,246	9.2
Total Collections	\$2,092,514,128	\$1,948,821,371	7.4

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	December 2000	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	5%	\$296,047	12.4	\$2,069,975	92.9
Non-Metal Mining/Oil & Gas	3.125%	536,459	2.6	3,634,836	4.4
Utilities	5%	19,891,760	(7.5)	161,277,916	10.7
Communications	5%	12,663,916	17.0	71,530,408	20.8
Railroads/Aircraft	5%	141,761	(17.3)	769,705	(0.6)
Private Car/Pipelines	5%	188,540	662.7	522,516	1,290.1
Publishing	5%	405,081	(4.6)	2,997,411	8.4
Printing	5%	1,775,844	10.8	10,180,742	(2.1)
Restaurants/Bars	5%	25,072,166	3.1	147,724,644	6.3
Amusements	5%	3,237,134	3.6	16,702,739	(4.2)
Commercial Lease	0%	3,028	(79.9)	3,706,279	(48.2)
Rental of Personal Property	5%	14,131,629	(5.2)	88,480,466	6.9
Contracting	3.75% - 5%	43,911,194	(3.0)	283,770,298	4.0
Feed Wholesale	Repealed	(28)	N/A	(89)	N/A
Retail	5%	158,639,179	3.8	921,164,616	7.2
Advertising	0	0	N/A	0	N/A
Mining Severance*	2.5%	(62,614)	N/A	2,755,270	(66.3)
Timber Severance	\$2.13/\$1.51 per 1000 board ft	95	(93.9)	616	(89.5)
Hotel/Motel	5.5%	7,936,868	(11.9)	43,626,221	6.3
Membership Camping	5%	7,914	2.8	34,535	58.1
Use/Use Inventory	5%	15,348,278	17.6	98,879,065	16.5
Rental Occupancy Tax	3%	11,758	211.6	58,754	61.8
Jet Fuel Tax	\$.0305/\$.0105 gal	394,758	10.1	2,290,429	21.6
Telecommunications Devices:	1.1				
Telecom. Fund for the	----	415,829	4.4	2,446,423	0.2
Poison Control Fund	----	153,800	4.4	904,841	0.2
911 Excise	1.25%	686,582	8.9	4,011,680	4.5
911 Wireless Service	\$0.10 monthly per activated	171,733	N/A	990,526	53.3
Total		\$305,958,711	2.0	\$1,870,530,822	7.1

*Beginning with December 1999 the mining severance tax base has changed.

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

Transaction Privilege and Severance Tax Taxable Sales By Class²

	December 2000	% Chg	Fiscal Year Total	% Chg
Transporting/Towing	\$5,920,946	12.4	\$41,399,509	92.9
Non-Metal Mining/Oil & Gas	17,166,674	2.6	116,314,740	4.4
Utilities	397,835,204	(7.5)	3,225,558,315	10.7
Communications	253,278,326	17.0	1,430,608,162	2.8
Railroads/Aircraft	2,835,220	(17.3)	15,394,097	(0.6)
Private Car/Pipelines	3,770,809	662.7	10,450,313	1,290.1
Publishing	8,101,621	(4.6)	59,948,220	8.4
Printing	35,516,882	10.8	203,614,844	(2.1)
Restaurants/Bars	501,443,312	3.1	2,954,492,874	6.3
Amusements	64,742,671	3.6	334,054,788	(4.2)
Commercial Lease	(179,942)	(88.4)	175,834,712	(42.9)
Rental of Personal Property	282,632,572	(5.2)	1,769,609,311	6.9
Contracting	878,066,116	(3.0)	5,672,598,435	4.0
Feed Wholesale	(5,996)	N/A	(19,011)	N/A
Retail	3,172,783,581	3.8	18,423,293,119	7.2
Advertising	0	N/A	0	N/A
Mining Severance*	(2,504,559)	N/A	110,210,817	(66.3)
Timber Severance	63	N/A	63	N/A
Hotel/Motel	144,306,683	(11.9)	793,204,012	6.3
Membership Camping	158,288	2.8	690,709	58.1
Use/Use Inventory	306,773,645	17.8	1,975,389,151	16.6
Rental Occupancy Tax	391,931	211.6	1,958,472	56.0
Total	\$6,073,034,047	1.6	\$37,314,605,654	6.6

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table, are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In December 2000, 13,257,514 gallons of jet fuel were taxed, a 9.9% increase from the 12,068,295 reported for December 1999. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Accounting Credit

Effective to taxable periods beginning from and after July 1, 1995, a credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. The amount of accounting credits claimed in December 2000 was \$1,043,543 a 0.3% decrease from the \$1,046,331, claimed in December 1999. Accounting credits claimed-to-date in FY 00/01 equals \$7,238,434 a 4.2% increase from the \$6,944,214 a claimed during the same period in FY 99/00.

²These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

*Beginning with December 1999, the mining severance tax base has changed.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

The Department of Revenue assigns a SIC code to a business based on its primary type of business activity. A grocery store would be assigned a SIC code of 5411. A business that deals primarily with dairy products would have a SIC code of 5451. A problem arises with businesses which derive revenue from multiple business activities. For example, a store like Fry's might be considered both a grocery store and a department store; however, all revenue would be reported under only one of the two possible codes. In summary, an accurate description of what this information represents would be: "These figures represent taxable retail sales for those businesses which have a primary SIC code falling within one designated range."

If the taxable sales for these ranges were added together, the total would not equal retail taxable sales. This is again due to the primary SIC code assignment. There are businesses making retail sales which do not have a primary retail SIC code.

<u>SIC Code Range</u>	<u>Description</u>	<u>December 2000</u>	<u>December 1999</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$159,643,069	\$246,858,229	(35.3)
5311-5399	general merchandise stores	380,158,929	339,771,787	11.9
5411-5499	food stores (no food sales)	253,244,093	252,140,764	0.4
5511-5521	motor vehicle dealers	538,765,478	475,133,293	13.4
5531-5599	misc. automotive, motorcycle & boat stores	138,685,709	142,165,963	(2.4)
5611-5699	apparel & accessory stores	216,028,199	186,820,561	15.6
5712-5733	furniture, home furnishings & equipment stores	186,002,253	172,920,143	7.6
5912-5949	misc. retail stores	234,567,147	229,381,368	2.3
	TOTAL	\$3,172,783,581	\$3,056,204,941	3.8

<u>SIC Code Range</u>	<u>Description</u>	<u>FY 2001</u>	<u>FY 2000</u>	<u>% Chg</u>
5211-5271	building materials, hardware, garden supply & mobile home dealers	\$988,099,065	\$964,350,518	2.5
5311-5399	general merchandise stores	1,801,057,420	1,688,228,774	6.7
5411-5499	food stores (no food sales)	1,480,905,769	1,422,382,449	4.1
5511-5521	motor vehicle dealers	3,408,461,547	3,085,810,596	10.5
5531-5599	misc. automotive, motorcycle & boat stores	922,363,688	905,667,193	1.8
5611-5699	apparel & accessory stores	1,065,672,140	989,710,209	7.7
5712-5733	furniture, home furnishings & equipment stores	1,023,830,184	969,896,640	5.6
5912-5949	misc. retail stores	1,206,221,253	1,182,042,122	2.0
	TOTAL	\$18,423,292,319	\$17,187,216,751	7.2

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for December 2000 is shown in the County Share column.

	Dist. Base Collections	County Share	% of Total	FYTD County Share	% Chg
Apache	\$183,803	\$322,981	0.8%	\$2,404,087	(9.8%)
Cochise	1,411,221	776,627	1.9%	4,648,499	4.8%
Coconino	2,311,029	1,057,768	2.6%	7,213,248	2.7%
Gila	696,883	345,819	0.8%	2,147,073	8.4%
Graham	315,547	194,961	0.5%	1,210,824	4.6%
Greenlee	(37,693)	157,934	0.4%	1,529,356	(2.7%)
La Paz	235,992	120,727	0.3%	704,702	1.5%
Maricopa	69,058,555	26,047,829	64.0%	155,220,782	7.0%
Mohave	2,165,282	1,008,284	2.5%	6,412,378	2.7%
Navajo	1,277,954	619,548	1.5%	3,996,601	3.1%
Pima	15,573,321	6,468,281	15.9%	38,522,792	6.1%
Pinal	1,616,956	1,005,645	2.5%	6,155,254	8.9%
Santa Cruz	667,456	282,979	0.7%	1,596,856	6.2%
Yavapai	2,684,338	1,297,674	3.2%	8,277,065	4.5%
Yuma	2,358,194	999,766	2.5%	5,563,754	5.1%
Total	\$100,518,837	\$40,706,825		\$245,603,269	6.2%

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for December 2000 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during December 2000 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax
Apache		\$66,131					
Cochise		\$411,114					
Coconino		\$658,151	\$388,993				
Gila	\$207,811	\$203,622					\$7
Graham		\$90,751					
Greenlee		\$54,633					
La Paz		\$66,456	\$66,543				
Maricopa	\$21,244,772		\$7,934,706	\$492,913	\$16,408		
Mohave		\$308,395					
Navajo		\$367,267					
Pima				\$128,828		\$20,160	
Pinal	\$542,545	\$548,459					
Santa Cruz		\$187,799					
Yavapai		\$783,080	\$309,754				
Yuma		\$650,014	\$649,955				

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in December 2000. The table compares the receipts to December 1999 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	December 2000	December 1999	% Change
Spirituous	\$2,434,873	\$2,176,062	11.9
Vinous	877,725	1,276,756	(31.3)
Malt	1,600,639	1,804,091	(11.3)
Cigarette	12,050,924	13,533,084	(11.0)
Other Tobacco	282,496	313,909	(10.0)
Tobacco	225	150	50.0
Licenses			
Total	\$17,246,883	\$19,104,052	(9.7)

	Fiscal Year Total (00/01)	Fiscal Year Total (99/00)	% Change
Spirituous	\$10,295,808	\$9,717,019	6.0
Vinous	3,907,641	4,644,221	(15.9)
Malt	10,693,505	10,508,950	1.8
Cigarette*	77,386,641	78,647,622	(1.6)
Other Tobacco	1,693,333	1,865,028	(9.2)
Tobacco	4,950	6,375	(22.4)
Licenses			
Total	\$103,981,879	\$105,389,215	(1.3)

*Through December 2000, \$386,100 of Cigarette and Tobacco tax collections has been allocated for administrative expenses and is not reflected in fiscal year collections.

General Fund revenues from luxury taxes:

	December 2000	FY (00/01)
Spirituous	\$1,704,411	\$7,207,065
Vinous	218,819	974,574
Malt	400,160	2,673,376
Cigarette	3,321,803	21,431,331
Other Tobacco	43,787	262,467
Tobacco	225	4,950
Licenses		
Total	\$5,689,205	\$32,553,763

Other dedicated revenues from luxury taxes:

	December 2000	FY (00/01)
Correction Fund revenues	\$2,183,944	\$12,296,445
Health Care Fund revenues	8,508,818	54,444,798
Wine Promotional Fund revenues	2,450	9,342
Drug Treatment & Education Fund revenues	616,106	3,347,231
Corrections Revolving Fund revenues	246,360	1,330,301

Estate Tax

December 2000	\$10,470,920	Fiscal year To Date	\$40,969,523
December 1999	<u>6,614,188</u>	Fiscal year To Date	<u>\$35,192,766</u>
% Change	58.3%	% Change	16.4%

Private Car

December 2000	\$1,037	Fiscal year To Date	\$1,348,730
December 1999	<u>\$231</u>	Fiscal year To Date	<u>\$1,462,231</u>
% Change	348.2%	% Change	(7.8%)

Bingo

December 2000	\$35,691	Fiscal year To Date	\$306,693
December 1999	<u>\$41,836</u>	Fiscal year To Date	<u>\$318,851</u>
% Change	(14.7%)	% Change	(3.8%)

Unclaimed Property

December 2000	\$715,604	Fiscal year To Date	\$17,391,461
December 1999	<u>\$987,417</u>	Fiscal year To Date	<u>\$16,019,191</u>
% Change	(27.5%)	% Change	8.6%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2000 for Tax Year 1999
Through December 2000

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	1,284	0.6%	-\$26,184	\$5	24.1%	64.6%	6.6%	4.6%	16.3%	14.4%
\$0-\$5,000	54,717	24.5%	\$2,688	\$1	3.1%	87.6%	8.3%	1.0%	2.5%	11.2%
\$5,000-\$10,000	49,848	22.3%	\$7,362	\$30	7.0%	71.6%	19.7%	1.7%	5.6%	25.9%
\$10,000-\$15,000	33,762	15.1%	\$12,369	\$96	15.3%	53.3%	29.0%	2.5%	9.1%	39.1%
\$15,000-\$20,000	23,559	10.5%	\$17,312	\$178	23.1%	44.6%	29.1%	3.2%	10.5%	42.7%
\$20,000-\$25,000	14,958	6.7%	\$22,348	\$305	26.7%	44.2%	25.2%	4.0%	9.0%	42.2%
\$25,000-\$30,000	10,096	4.5%	\$27,355	\$431	30.5%	42.5%	21.9%	5.1%	8.4%	41.2%
\$30,000-\$40,000	12,278	5.5%	\$34,473	\$605	39.3%	38.7%	17.5%	4.5%	10.1%	40.5%
\$40,000-\$50,000	7,330	3.3%	\$44,611	\$835	50.2%	31.8%	14.3%	3.7%	11.9%	42.8%
\$50,000-\$75,000	9,013	4.0%	\$60,258	\$1,219	63.6%	25.5%	8.3%	2.5%	14.8%	41.5%
\$75,000-\$100,000	3,151	1.4%	\$85,442	\$1,939	70.9%	21.4%	5.6%	2.1%	17.2%	40.9%
\$100,000-\$200,000	2,560	1.1%	\$131,157	\$3,561	69.0%	22.3%	6.2%	2.5%	19.2%	38.8%
\$200,000-\$500,000	612	0.3%	\$290,730	\$10,049	67.8%	24.2%	6.2%	1.8%	25.4%	32.6%
\$500,000-\$1,000,000	113	0.1%	\$694,552	\$28,812	63.5%	22.6%	7.0%	7.0%	27.0%	27.0%
\$1,000,000 and over	60	0.0%	\$2,509,508	\$132,688	73.8%	19.7%	3.3%	3.3%	16.4%	32.8%
Total	223,341		\$18,902	\$336	18.9%	60.2%	18.5%	2.4%	7.5%	30.2%

NEW RETURNS FILED IN 1999 FOR TAX YEAR 1998

Total	228,194		\$17,402	\$289	18.4%	59.3%	19.8%	2.5%	7.4%	32.4%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
December 2000

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,629,993	168,176
Eagar	\$43,760	4,515	Surprise	104,065	10,737
Springerville	18,609	1,920	Tempe	1,490,862	153,821
St. Johns	32,566	3,360	Tolleson	42,995	4,436
<u>Cochise County</u>			Wickenburg	46,183	4,765
Benson	\$39,883	4,115	Youngtown	26,111	2,694
Bisbee	62,999	6,500	<u>Mohave County</u>		
Douglas	143,250	14,780	Bullhead City	\$261,107	26,940
Huachuca City	18,803	1,940	Colorado City	30,918	3,190
Sierra Vista	366,510	37,815	Kingman	162,528	16,769
Tombstone	13,618	1,405	Lake Havasu City	351,681	36,285
Willcox	34,242	3,533	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	\$49,139	5,070
Flagstaff	\$528,030	54,480	Pinetop-Lakeside	31,994	3,301
Fredonia	12,115	1,250	Show Low	67,729	6,988
Page	77,053	7,950	Snowflake	39,932	4,120
Williams	26,072	2,690	Taylor	25,733	2,655
<u>Gila County</u>			Winslow	104,482	10,780
Globe	\$68,407	7,058	<u>Pima County</u>		
Hayden	8,820	910	Marana	\$59,258	6,114
Miami	19,772	2,040	Oro Valley	190,519	19,657
Payson	106,653	11,004	Sahuarita	22,399	2,311
Winkelman	6,552	676	South Tucson	52,842	5,452
<u>Graham County</u>			Tucson	4,301,614	443,823
Pima	\$17,931	1,850	<u>Pinal County</u>		
Safford	85,030	8,773	Apache Junction	\$189,240	19,525
Thatcher	38,352	3,957	Casa Grande	202,373	20,880
<u>Greenlee County</u>			Coolidge	68,378	7,055
Clifton	\$29,028	2,995	Eloy	86,406	8,915
Duncan	7,124	735	Florence	110,394	11,390
<u>La Paz County</u>			Kearny	23,794	2,455
Parker	\$28,592	2,950	Mammoth	18,997	1,960
Quartzsite	19,433	2,005	Superior	33,777	3,485
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$220,701	22,771	Nogales	\$200,192	20,655
Buckeye	47,075	4,857	Patagonia	9,159	945
Carefree	22,156	2,286	<u>Yavapai County</u>		
Cave Creek	29,813	3,076	Camp Verde	\$72,352	7,465
Chandler	1,282,858	132,360	Chino Valley	60,848	6,278
El Mirage	55,643	5,741	Clarkdale	25,200	2,600
Fountain Hills	137,106	14,146	Cottonwood	63,435	6,545
Gila Bend	16,932	1,747	Jerome	4,458	460
Gilbert	575,115	59,338	Prescott	301,291	31,086
Glendale	1,769,938	182,615	Prescott Valley	155,492	16,043
Goodyear	89,653	9,250	Sedona	86,202	8,894
Guadalupe	52,900	5,458	<u>Yuma County</u>		
Litchfield Park	36,239	3,739	San Luis	\$77,789	8,026
Mesa	3,277,092	338,117	Somerton	56,447	5,824
Paradise Valley	120,648	12,448	Wellton	10,913	1,126

Peoria	722,698	74,565	Yuma	608,592	62,792
Phoenix	11,140,362	1,149,417			
Queen Creek	29,774	3,072	TOTAL	\$33,037,720	3,408,697

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
December 2000

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,239,426	168,176
Eagar	\$33,275	4,515	Surprise	79,130	10,737
Springerville	14,150	1,920	Tempe	1,133,632	153,821
St. Johns	24,763	3,360	Tolleson	32,693	4,436
<u>Cochise County</u>			Wickenburg	35,117	4,765
Benson	\$30,327	4,115	Youngtown	19,854	2,694
Bisbee	47,904	6,500	<u>Mohave County</u>		
Douglas	108,926	14,780	Bullhead City	\$198,543	26,940
Huachuca City	14,297	1,940	Colorado City	23,510	3,190
Sierra Vista	278,690	37,815	Kingman	123,584	16,769
Tombstone	10,355	1,405	Lake Havasu City	267,414	36,285
Willcox	26,038	3,533	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	\$37,365	5,070
Flagstaff	\$401,508	54,480	Pinetop/Lakeside	24,328	3,301
Fredonia	9,212	1,250	Show Low	51,500	6,988
Page	58,590	7,950	Snowflake	30,364	4,120
Williams	19,825	2,690	Taylor	19,567	2,655
<u>Gila County</u>			Winslow	79,447	10,780
Globe	\$52,016	7,058	<u>Pima County</u>		
Hayden	6,707	910	Marana	\$45,059	6,114
Miami	15,034	2,040	Oro Valley	144,868	19,657
Payson	81,097	11,004	Sahuarita	17,032	2,311
Winkelman	4,982	676	South Tucson	40,180	5,452
<u>Graham County</u>			Tucson	3,270,894	443,823
Pima	\$13,634	1,850	<u>Pinal County</u>		
Safford	64,655	8,773	Apache Junction	\$143,896	19,525
Thatcher	29,163	3,957	Casa Grande	153,882	20,880
<u>Greenlee County</u>			Coolidge	51,994	7,055
Clifton	\$22,073	2,995	Eloy	65,702	8,915
Duncan	5,417	735	Florence	83,942	11,390
<u>La Paz County</u>			Kearny	18,093	2,455
Parker	\$21,741	2,950	Mammoth	14,445	1,960
Quartzsite	14,776	2,005	Superior	25,684	3,485
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$167,818	22,771	Nogales	\$152,224	20,655
Buckeye	35,795	4,857	Patagonia	6,964	945
Carefree	16,847	2,286	<u>Yavapai County</u>		
Cave Creek	22,670	3,076	Camp Verde	\$55,016	7,465
Chandler	975,469	132,360	Chino Valley	46,268	6,278
El Mirage	42,310	5,741	Clarkdale	19,162	2,600
Fountain Hills	104,253	14,146	Cottonwood	48,235	6,545
Gila Bend	12,875	1,747	Jerome	3,390	460
Gilbert	437,310	59,338	Prescott	229,098	31,086
Glendale	1,345,839	182,615	Prescott Valley	118,234	16,043
Goodyear	68,171	9,250	Sedona	65,547	8,894
Guadalupe	40,224	5,458	<u>Yuma County</u>		
Litchfield Park	27,556	3,739	San Luis	\$59,150	8,026
Mesa	2,491,860	338,117	Somerton	42,922	5,824
Paradise Valley	91,739	12,448	Wellton	8,298	1,126
Peoria	549,530	74,565	Yuma	462,765	62,792

Phoenix	8,470,992	1,149,417		
Queen Creek	22,640	3,072	TOTAL	
				\$25,121,469 3,408,697

*The Office of Economic Research & Analysis
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